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SUBJECT: More than Malbec: Ambassador Donates Scholarships and  
Talks Development in Mendoza

Summary

1. Ambassador visited the Binational Center in Mendoza and presented certificates to 21 Mendoza high school students who have received scholarships to study English as part of the Embassy's Sarmiento-Mann scholarship program. Ambassador then met with influential Mendoza Governor Celso Jaque and received a thorough update on the Governor's broad-based approach for improving public security in the province. Jaque described the results of his first six months in office, his administration has made important strides in improving the work of the police, in fighting drugs, child labor and trafficking in persons, and has developed a long-term, strategic, plan for bringing improved public security to the province. Governor Jaque also detailed a series of progressive policy initiatives designed to improve education, promote economic growth and bring an overall better quality-of-life to his constituents. End Summary.

Sarmiento-Mann Scholarships to Study English

2. Following up on a successful visit to President Sarmiento's birthplace in neighboring San Juan province, Ambassador Wayne visited the Asociacion Mendocina de Intercambio Cultural Argentino Norteamericano (AMICANA), to present certificates to 21 local high school students who are studying English at the binational center as part of the Embassy's Sarmiento-Mann scholarship program. The visit afforded the Ambassador the opportunity to highlight the ECA/Embassy June 3 announcement of a 250,000 dollar investment by the U.S. Department of State that will allow the Embassy to expand the Sarmiento-Mann Scholarship program and provide scholarships for Argentine high school students throughout the country to study English as a second language. After presenting the certificates, Ambassador participated in a ribbon-cutting ceremony for the new wing of classrooms at the AMICANA facility and met many of the AMICANA students. The events received prominent press and TV coverage.

Governor Jaque's First Priority is Public Security

3. Subsequently, Ambassador met with Mendoza Governor Celso Jaque. The two have met on a number of occasions (Reftel) and in previous meetings Jaque has acknowledged problems with law and order in Mendoza and stated that his first priority as Governor is improving public security. He began the meeting by explaining his administration's broad-based approach to public security.

¶4. After only six months in office, Governor Jaque said his administration has made great strides in improving the work of the local police, but added that this will be a long term effort. They have invested in improved police training; have purchased police uniforms for both hot and cold weather, and no longer require policeman to purchase their own uniforms; have purchased bullet-proof vests, new vehicles and enough bullets to allow for target practice; and have re-established a 911 system for reporting emergencies. Governor Jaque stated his police force is interested in any assistance the U.S. can provide, particularly in the area of training. [Note: Embassy law enforcement agencies, led by DEA country office, maintain good relations with Mendoza law enforcement officials and have provided training to Mendoza security forces and judicial sector. End Note.]

¶5. Jaque explained that the provincial government has also taken a very active role in fighting drugs with a strong focus on prevention and treatment. His administration has set up the first centers in the province that are working to help kids get off drugs. They are creating programs to get kids into school, off street corners, and away from drugs. They are also working to better coordinate the efforts of the provincial and federal police forces in going after drug traffickers.

¶6. Jaque noted that the provincial government just signed an agreement with the national Ministry of Justice, Security and Human Rights to build a new federal prison in Mendoza that will largely be available for high security prisoners with provincial convictions. They also plan to build three more provincial jails in the next three years.

¶7. Jaque said that his administration is also aggressively seeking to combat child labor and trafficking in persons. His administration is taking an integrated approach to these related problems with the police, labor office and family affairs office all cooperating in pursuing wrongdoers and providing support for victims. Mendoza would be happy to receive any U.S. assistance or training on issues related to child labor or trafficking in persons.

¶8. Governor Jaque emphasized that this multi-faceted approach to providing public security is a long-term effort. He said he believes his administration has already helped to reverse the trend of increasing lawlessness that existed prior to his inauguration, even if he has not yet seen a major reduction in crime rates. He stated that he believes little-by-little the province will see improvements in public security and that this in turn presents tremendous additional opportunities for the province.

#### Jaque Views Public Security and Education as Key Steps to Promote Economic Growth

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¶9. Governor Jaque stated his belief that investment in education is both a way to attack crime and a way to prepare the province for increased economic growth. He related his ideas for improving public education by investing in the infrastructure of schools, particularly in rural schools, and explained plans for bringing internet connectivity to substantially wider parts of the province.

#### Travel to Atlanta and Washington

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¶10. Governor Jaque then detailed a progressive list of policy initiatives his administration is pursuing. He explained the importance of lower middle-class citizens being able to afford homes and described a program the province has developed with several banks for offering subsidized mortgages to lower middle-class citizens. He said he believes this program is especially important for teachers so that good teachers can continue teaching and be fixtures in the community. He spoke expansively about various proposed projects including investments in infrastructure, hydroelectric dams and a new gas pipeline. He stated substantial investment continues in the wine industry and in the concentrated frozen grape juice market. He presented several ideas his government has for working with agricultural producers to increase productivity, including ideas for protecting fruit trees from

damaging hail storms. He briefly described efforts to expand activities in the mining and petroleum sectors. He said that efforts to promote mining were hindered by a law passed last year by the federal government and that expanding exploration for petroleum was also complicated by the activities of the federal government. He indicated that his administration has had discussions with the federal government on these issues without elaborating.

¶10. Governor Jaque then described his ideas for promoting economic growth in Mendoza. He noted that he will be attending the Americas Competitiveness Forum that Secretary of Commerce Carlos Gutierrez will host in Atlanta in August. The trip is part of an overall plan to focus on economic development in the province. He said he hopes to meet with wide and divergent U.S. audiences both to promote exports of products from Mendoza to the U.S. and to discuss investment opportunities for American companies in Mendoza. He said he also plans to go to Washington during the trip to meet with representatives of the World Bank and the Inter-American Development Bank.

¶11. Governor Jaque discussed the activities of international trade offices that Mendoza has opened or plans to open soon in Atlanta (moving it from Miami), Sao Paulo and London and spoke of possibly signing an accord with the Chamber of Commerce in Atlanta. Ambassador encouraged Governor Jaque's administration to work with the Embassy, particularly the Foreign Commercial Service, to explore mutually beneficial investment opportunities. Ambassador alluded to U.S. companies with an interest in possibly investing in Argentina, but not having full knowledge of all the opportunities in Mendoza. Governor Jaque stated his administration looks forward to sharing further information with the Embassy concerning Mendoza's overall plans to attract foreign investment. At that point, he requested that Guillermo Migliozi, provincial Minister of Production, Technology and Innovation, join the meeting, introduced him to the Ambassador and advised that Minister Migliozi is the principal point of contact in his administration for international investment issues.

#### Promoting Ties to U.S. States

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¶12. Governor Jaque lamented the lack of ties between Mendoza and states and cities in the U.S. He said he is eager to promote cultural exchanges between Mendoza and representatives of state and local governments in the U.S. and is keen on developing a sister-city relationship with a U.S. city. He mentioned possibly having a sister-city relationship in the future with an unnamed city near Atlanta where many Argentine ex-pats are residing. Ambassador voiced enthusiasm for this type of cultural exchange and urged Governor Jaque to speak to Argentine Foreign Minister Jorge Taiana about a program for promoting ties between the Argentine provinces and U.S. states.

¶13. Comment and bio note: Governor Jaque appears to be an energetic, committed, public official who genuinely cares about improving the lives of his constituents. He is eager to promote closer ties and cooperation with the U.S. He is focused on seeking solutions to problems and not on political ideology, and appears to view working with U.S. interests as a way to help improve the quality of life of the people in the province. His high-school age daughter will be studying for a year in upstate New York starting in August 2008, and he and his wife will be hosting a high-school student from the U.S. in their home for the year. This cultural exchange should only increase his familiarity and comfort with the U.S. He is a member of the Partido Justicialista (Peronist Party) and was elected in October 2007 with the active support of the Kirchners. Since that time he has been trying to balance between supporting GOA policies while also pursuing independent policies that will improve the lives of the people in Mendoza. The Embassy should be able to maintain an excellent working relationship with Mendoza provincial authorities while Jaque is in office. End Comment.

WAYNE